CHAPTER 13.—LOCAL FUNDS.

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Explanation.

218. The expression "Local Fund" denotes—

(1) revenues administered by bodies which by law or rule having the force of law come under the control of Government, whether in regard to the proceedings generally, or to specific matters such as the sanctioning of their budgets, sanction to the creation or filling up of particular appointments, the enactment of leave, pension or similar rules ;

(2) the revenues of any body which may be specially notified by the Governor General in Council as such.

The transactions of Local Funds are not included in the public accounts.

NOTE.—The floating funds of a charitable endowment may, with the sanction of the local Government, be kept as a Local Fund.

Receipts and Payments.

219. Municipalities are ordinarily obliged to place their funds in a Government treasury or a bank or branch bank used as a Government treasury, if there is one in or near the municipality.

220. The account of a Local Fund at the treasury is a pure banking account, money being paid in and drawn out without specification of the nature of receipt or expenditure.

1. This rule does not apply if the charges of any Local Fund are, under any special orders, drawn from the treasury on detailed bills in which case the gross amount will be charged by the Treasury Officer in the accounts, the deductions on account of income-tax, fund subscription, etc., being credited by transfer in distinct entries.

220-A. No Local Fund is allowed to overdraw the balance at its credit, without obtaining beforehand a loan or contribution to cover the overdraft, either from the local Government or the Government of India.

221. Service stamps may not be used by a Local Fund officer or any Government officer acting in a capacity connected with a Local Fund such as President or Secretary of a Local Fund Committee, but service labels may be used on the correspondence of a public officer acting as such, even though the correspondence may relate to the affairs of a Local Fund.

1. Telegraphic messages, the charges for which are to be borne by Local Funds, should be classed as Private and not as State.

Verification of Balances.

222. The balances at credit of each fund are verified at the end of the year by the Treasury Officer in communication with the Accountant General on the one side, and the officer or committee administering

the fund on the other. The balance on the Accountant General's books is the balance acknowledged by the Government, and the Treasury Officer is required to follow it, and not the local accounts, as his standard.

Cantonment Funds.

223. The transactions of Cantonment Funds are accounted for in the same way as those of other Local Funds and an annual consolidated account, in duplicate, is submitted by the cantonment authorities to the Examiner or Inspector of Local Fund Accounts.

Miscellaneous.

223-A. Unless any of the following arrangements has been authorised by the Government, a Local Fund is required to pay in advance the estimated amount of charges to be incurred or cost of services to be rendered by Government on account of the Fund :—

(*a*) Payments as made by Government may be charged to the balances of the deposits of the Local Fund in Government books.

(*b*) Recovery from the Local Fund may be postponed till the time when Government has to make payment for the charges.

(*c*) Payments may be made as advances from Government funds in the first instance, pending recovery from the Local Fund.

NOTE.—In some provinces Local Funds have to pay for medicines supplied and their liability cannot be accurately known till the account of supplies has been received from the Military Department. In cases where such account is not likely to be received by 31st March, the Local Fund is required to pay during March the sum roughly estimated as the value of the medicines. Any over-recovery will be re-adjusted in the new year.